

**TOWN OF LAHOMA
GARFIELD COUNTY, OKLAHOMA**

**ACCOUNTANT'S REPORT
AGREED UPON PROCEDURES**

**FISCAL YEAR ENDED
JUNE 30, 2014**

WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA

**TOWN OF LAHOMA
GARFIELD COUNTY, OKLAHOMA
TOWN COUNCIL AND OFFICERS**

Theresa Sharp
Stephanie Spomer
Lila Logan-Jansonius
Con Pekrul
Stephen Cahoon

Karen Naugle
Kay Davidson

Chair
~~Vice-Chair~~
Member
Member
Member

Clerk
Treasurer

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**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT**

Independent Accountant's Report

To the Specified Users of the Report:

Town Board, Town of Lahoma
Lahoma, Oklahoma

Trustees of the Lahoma Public Works Authority
Lahoma, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

I have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Lahoma and Public Trusts, Example, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of General Fund-Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Public Works Authority-Cash Basis, and Schedule of Grant Activity-Cash Basis for the fiscal year ended June 30, 2014. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles. I have not audited or reviewed the financial statements referred to above, and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis described above.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and the requirements of Oklahoma Statutes and for designing, implementing, and maintain internal controls relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide an assurance that there are no material modifications that should be made to the financial statements.

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
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Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, I have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Public Works Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17 (105-107) and §60-180.1-3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2012. Management of the Town of Lahoma is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

As to the **Town of Lahoma** as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit A) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: None

2. **Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund (see accompanying Exhibit B) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: None

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: None

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
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4. Procedures Performed: We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: None

5. Procedures Performed: We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: None

6. Procedures Performed: We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: The Municipal Court fund holds funds that are from the collection from Police fines. The funds are available to be transferred to the General Fund after the payment of statutory fees for C.L.E.E.T. and OSBI, etc.. During the fiscal year funds were collected and transferred to the general fund, but none of the fees have been paid. This also occurred during the prior fiscal year.

7. Procedures Performed: We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: None

As to the **Lahoma Public Works Authority**, as of and for the fiscal year ended June 30, 2014:

1. Procedures Performed: From the Authority's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (see accompanying Exhibit C) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: None

2. Procedures Performed: We agreed the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: None

3. Procedures Performed: We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
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Findings: None

4. Procedures Performed: We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: None

5. Procedures Performed: We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: None

6. Procedures Performed: We compared the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: None

As to the **Town of Lahoma and Public Works Grant Program**, as of and for the fiscal year ended June 30, 2014:

1. Procedures Performed: From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit D) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: None

I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.


NOVEMBER 6, 2014

Exhibit A
Town of Lahoma
Summary of Changes in Fund Balances
For the Fiscal Year Ended June 30, 2014

	Beginning of Year	End of Year
	Fund Balances	Fund Balances
TOWN:		
General Fund		
Checking	\$ 52,609	\$ 213,536
Certificate of Deposit	35,000	-
Total General Fund	87,609	213,536
Capital Assets	319,520	2,226
Capital Leases	(52,913)	-
Street & Sewer Sales Tax	36,494	13,848
Public Safety/Town Improvement	-	747
Municipal Court Fund	41,024	79,498
Grant Fund	1,550	4,874
Town Subtotal	433,284	314,728
Public Works Authority		
Utilities Fund	84,682	155,458
Customer Deposits Payable	(12,465)	3,179
Capital Assets	457,642	31,484
PWA Subtotal	529,859	190,121
Overall Totals	\$ 963,142	\$ 504,849
		\$ 547,857
		962,465

Exhibit B
Town of Lahoma
Budgetary Comparison Schedule General Fund - Cash Basis
For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 88,880	\$ 88,880	\$ 87,609	\$ (1,271)
Resources (Inflows):				
Taxes:				
Sales Tax	95,967	95,967	99,427	3,460
Franchise Tax	17,692	17,692	19,367	1,676
Use Tax	5,908	5,908	7,646	1,738
Tobacco Tax	1,246	1,246	1,182	(65)
Total Taxes	120,813	120,813	127,622	6,809
Intergovernmental:				
Motor Vehicle Tax	4,452	4,452	4,515	63
Alcoholic Beverage Tax	1,330	1,330	2,400	1,070
Gas Excise Tax	-	-	1,138	1,138
State Grants	-	-	-	-
Investment Income	333	333	186	(147)
Miscellaneous Income				
Police Fines	41,965	41,965	70,299	28,334
Hall Rent	-	-	1,125	1,125
Sale of Property	-	-	-	-
Licenses/Permits	-	-	-	-
Miscellaneous	-	-	6,252	6,252
Other Financing Sources:				
Transfer from Other Funds	-	-	-	-
Amounts available for appropriations	257,772	257,772	301,145	43,373
General Government:				
Personal Services	45,000	40,000	29,870	(10,130)
Maintenance and Operations	75,000	63,500	55,825	(7,675)
Capital Outlay	15,000	-	-	-
	135,000	103,500	85,695	(17,805)
Police Department:				
Personal Services	70,000	70,000	68,589	(1,411)
Maintenance and Operations	40,000	40,500	40,421	(79)
Capital Outlay	-	2,500	2,226	(274)
	110,000	113,000	111,236	(1,764)
Fire Department:				
Personal Services	-	-	-	-
Maintenance and Operations	-	8,500	8,310	(190)
Capital Outlay	-	-	-	-
	-	8,500	8,310	(190)
Other Financing Sources:				
Transfers to other funds	12,772	32,772	32,223	(549)
Total Charges to Appropriations	257,772	257,772	237,463	(20,309)
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 63,682	\$ 63,682

Lahoma Public Works Authority
Garfield County, Oklahoma
Exhibit C

Statement of Activities
For the Fiscal Year Ended June 30, 2014

Revenues	
Sewer	\$29,932
Trash	52,536
Water	68,899
Miscellaneous	4,000
Total revenues	<u>155,367</u>
Expenditures	
Water Department	
Personnell Service	23,715
Maintenance & Operation	48,048
Sewer Operations	
Personnell Service	23,589
Maintenance & Operation	6,902
Trash Operations	
Maintenance & Operation	933
Contract Services	45,195
Depreciation	<u>20,911</u>
Total expenditures	<u>169,292</u>
Operating Income	(13,925)
Other Income	
Transfer from Other Fund	-
Interest Income	<u>91</u>
	91
Increase in Net Assets	(13,834)
Prior Period Adjustment (Correct Customer Deposit Balance)	(11,560)
Beginning net assets	<u>554,788</u>
Ending net assets	<u><u>\$529,393</u></u>

Town of Lahoma
Garfield County, Oklahoma
Schedule of Grant Awards,
Revenues and Expenditures
For Year Ended June 30, 2014

Grant Description	Contract Number	Grant Award	Revenue Collected	Total Expenditures
NODA Operational Grant		4,474	4,474	4,474
Fire Department			4,474	4,474
			0	0
			0	0
Total		4,473.98	4,473.98	4,473.98

The notes to the financial statements are an integral part of this statement.
 See the accompanying independent auditors' report.